

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2016-0055**

AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE AN  
AGREEMENT WITH THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC  
DEVELOPMENT BANK (I-BANK) FOR UP TO \$70 MILLION IN SAFE DRINKING WATER  
STATE REVOLVING FUND (DWSRF) MATCHING FUNDS

WHEREAS:

1. The DWSRF and capitalization grants from the United State Environmental Protection Agency (U.S. EPA) are used by the State Water Resources Control Board (State Water Board) to provide low-interest loans and grants and technical assistance to public water systems, as well as subsidize the Division of Drinking Water's public water system supervision program;
2. As a condition of DWSRF capitalization grants from the U.S. EPA, the recipient state entity must provide matching funds equal to 20 percent of each capitalization grant;
3. The U.S. EPA has implemented a national Un-liquidated Obligation (ULO) Reduction strategy whereby States are generally required to liquidate their DWSRF capitalization grants within two years of award of such capitalization grants;
4. Chapter 5 Section 79724 of Proposition 1 has been allocated as match for the 2015 and 2016 SDWSRF capitalization grants;
5. The DSWRF needs additional supplemental matching funds for at least the 2015 and 2016 DWSRF capitalization grants that will disburse at a sufficient rate to ensure the State Water Board's compliance with U.S. EPA's ULO Reduction Strategy;
6. The State Water Board has no current general fund appropriations or general obligation bond authorizations that can provide additional supplemental matching funds, which will disburse at a sufficient rate to ensure the State Water Board's compliance with U.S. EPA's ULO Reduction Strategy;
7. The State Water Board seeks to maximize all available funding sources for match funds to position the DWSRF for long-term sustainability;
8. The State Water Board may use interest earnings of the DWSRF, as allowed by state and federal law, to secure and repay a bond to obtain matching funds;
9. The California Department of Public Health and the State Water Board obtained matching funds from the I-Bank using this type of transaction in 2013 and 2014, respectively; and
10. The DWSRF currently contains sufficient interest earnings to secure and repay a short-term obligation from the I-Bank to obtain up to \$70 million in matching funds for the 2015 and 2016 DWSRF capitalization grants, as well as future DWSRF capitalization grants, pursuant to the authority provided by Health and Safety Code Section 116760.40(a)(15).


THEREFORE BE IT RESOLVED THAT:

The State Water Board authorizes the Executive Director or his designee to execute a short-term financing agreement with the I-Bank to obtain up to \$70 million in matching funds for the DWSRF.

### **CERTIFICATION**

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on October 5, 2016.

AYE: Chair Felicia Marcus  
Board Member Tam M. Doduc  
Board Member Steven Moore  
Board Member Dorene D'Adamo  
  
NAY: None  
ABSENT: Vice Chair Frances Spivy-Weber  
ABSTAIN: None

  
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Jeanine Townsend  
Clerk to the Board